

Climate Finance Readiness

A framework to scale-up climate action

Clean energy and developing countries



- RoW expected GDP growth in the next 5 ys above 5%
- Between 2020-30 RoW collectively the biggest users of power having increased their demand by 80% in contrast to developed world (5-6%)
- Large population without access (\$1.3b without electricity and \$2.7b without clean cooking facilities)
- Many countries with high potential for RE
- RE capacity increase from 4.5 GW to 641 GW in the next two decades
- Annual investments between above \$50bn (2011-15) and \$95bn (2021-30)

The climate finance readiness challenge

Despite growing volume and variety of resources (international & domestic, public & private), developing countries face **3 key challenges to climate finance readiness**:

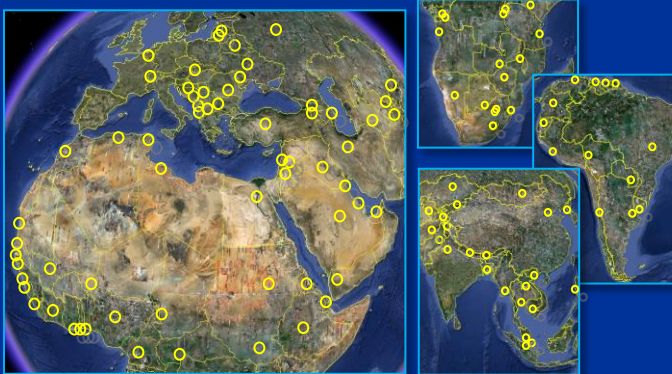
1. **National capacities are required**: to navigate complex landscape and allow countries to access and deliver different forms of finance
2. **Need to catalyze private finance**: public finance alone is insufficient to meet demands of climate challenge, must catalyze greater volumes of private finance
3. **Limited alignment between climate and development**: to drive economy-wide transformation, climate finance must be mainstreamed into planning and development policy

The United Nations Development Programme



1

We are on the ground in 176 countries and territories worldwide: we understand the local context



2

We provide climate change mitigation expertise, with a \$4 billion project portfolio in sustainable energy



Access to electricity (on- and off-grid):

\$260m + \$900m in co-financing*



Energy efficiency and conservation:

\$265m + \$1.2bn in co-financing

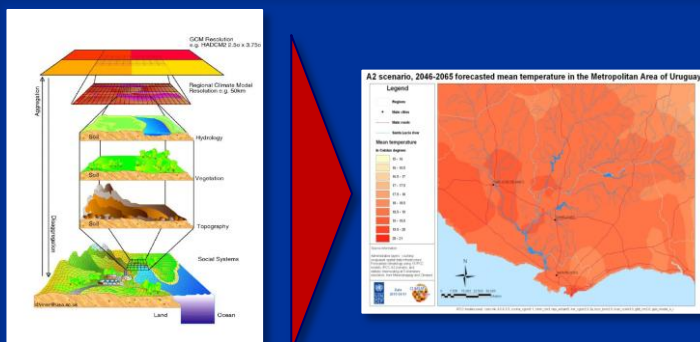


Sustainable transport systems:

\$85m + \$820m in co-financing

3

We provide climate change adaptation expertise, with a track record of performing vulnerability assessments



Statistical downscaling of General Circulation Models

Municipal climate impact scenarios

4

We implement a detailed methodology for developing Low-Emission, Climate-Resilient Strategies

UNDP's Low Emission Climate Resilient Development Strategies

STEP 1
Design multi-stakeholder participatory climate planning and coordination process based on existing structures

STEP 2
Prepare climate change profiles and vulnerability scenarios

STEP 3
Identify strategic options leading to Green LECRD trajectories

STEP 4
Prioritize strategic options through technological, social, and financial feasibility and cost-benefit analysis

STEP 5
Prepare a Green, LECRD roadmap

* Project portfolio amounts relate to the period 1992-2010

Framework for climate finance readiness

Financial Planning

- Assess needs and priorities, and identify barriers to investment
- Identify policy mix and sources of financing

Accessing Finance

- Directly access finance
- Blend and combine finance
- Formulate project, programme, sector-wide approaches to access finance

Delivering Finance

- Implement and execute project, programme, sector-wide approaches
- Build local supply of expertise and skills
- Coordinate implementation

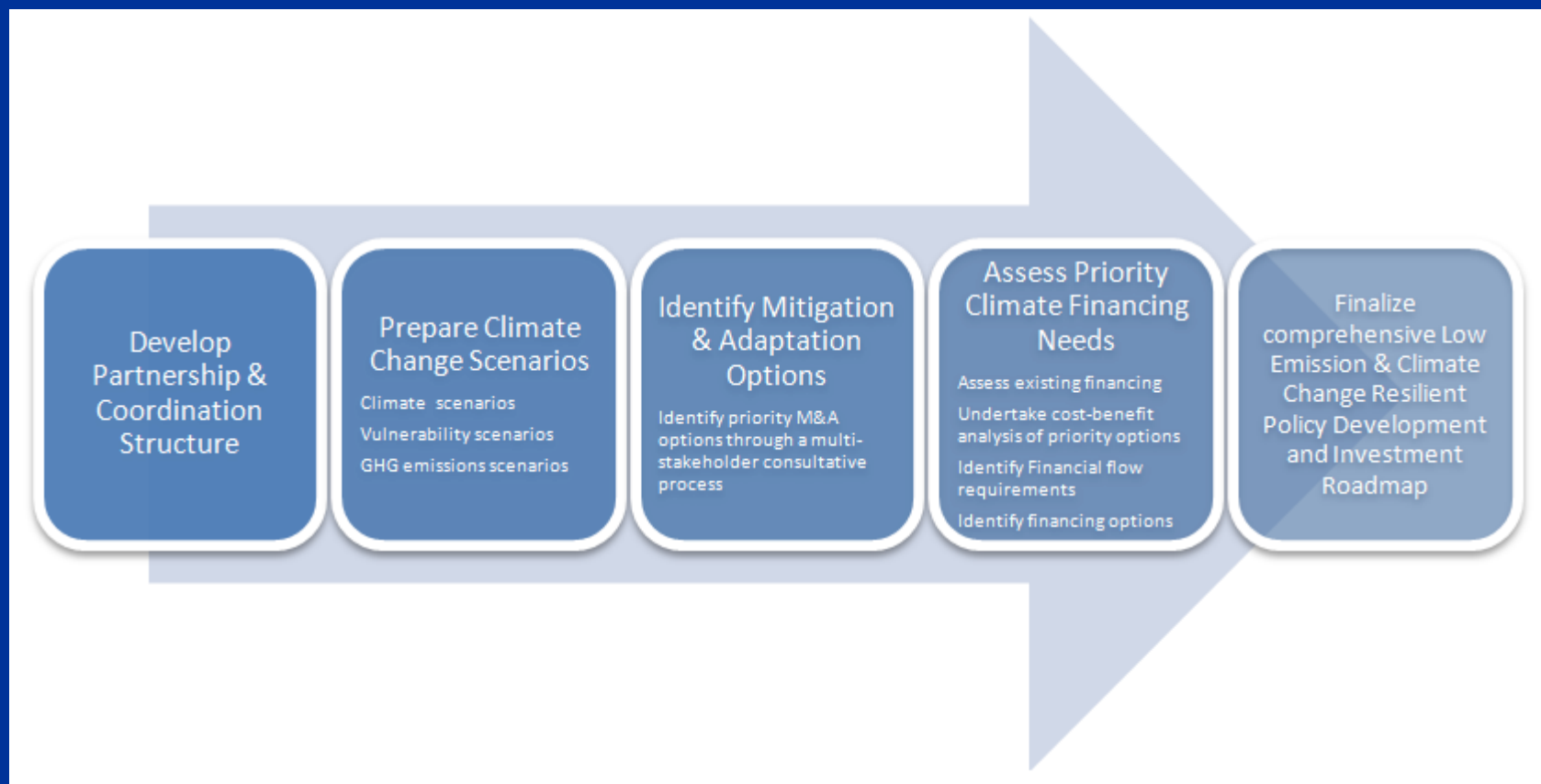
Monitor, Report & Verify

- Monitor, report, and verify flows
- Performance-based payments

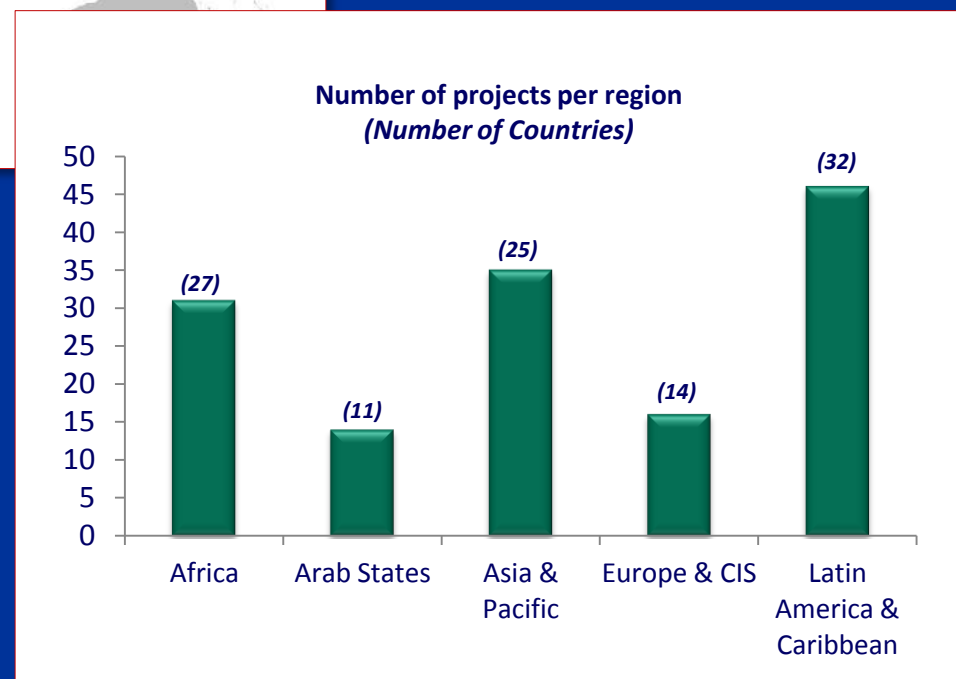
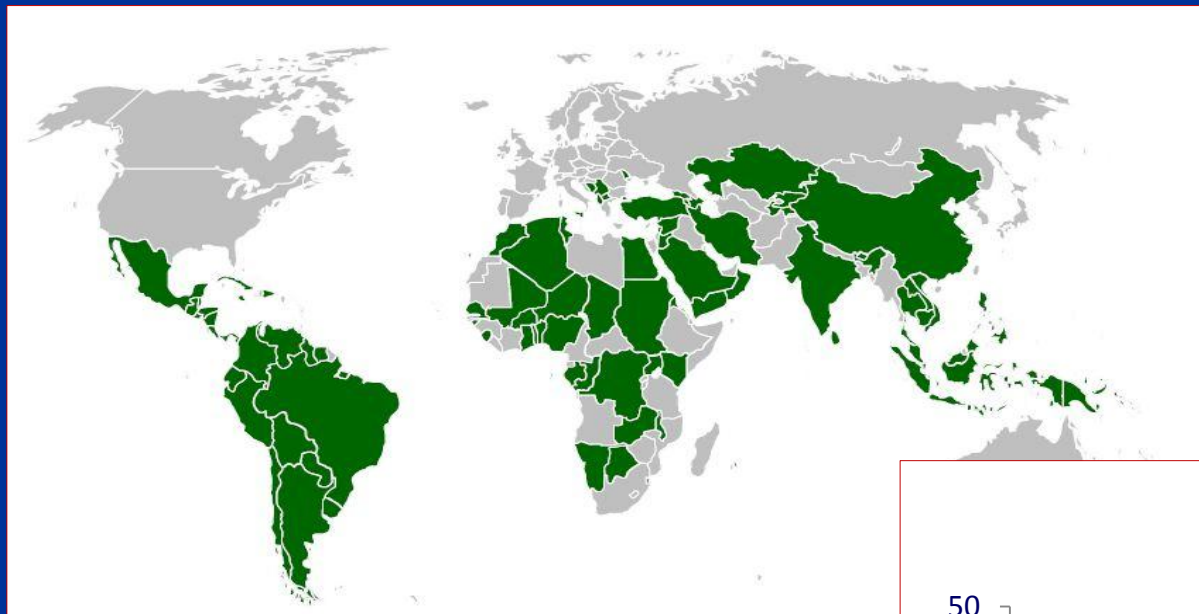
Supporting national systems to be “ready” for climate finance helps countries to use finance effectively

Support for planning, accessing, delivering, and MRV ensures climate finance is available and effective in all countries

Financial planning: Preparing Green Low-Emission Climate-Resilient Development Strategies (Green LECRDS)



Low-emission climate-resilient development strategies



* Map relates to National Communications, LECRDS, LEDS and NAMAs



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety



Australian Government
AusAID



Low Emission Capacity Building Programme (LECB)

Objective: Build capacities in a number of developing countries to design and implement LEDS at national levels and mitigation actions in the public and/or industry sectors that can contribute to broader sustainable development goals

Programme components:

- GHG inventory management systems
- Nationally Appropriate Mitigation Actions (NAMAs)
- Low-Emission Development Strategies (LEDS)
- Measurement, Reporting and Verification (MRV)
- Mitigation actions in selected industries

LECB Programme coverage by region

Phase	Africa	Asia	LAC	Arab States	Europe/CIS
Phase 1	DRC	Philippines	Argentina	Egypt	
	Kenya	China	Chile	Morocco	
	Uganda		Colombia		
	Zambia		Ecuador		
			Mexico		
			Peru		
Phase 2	Ghana	Bhutan	Costa Rica	Lebanon	Moldova
	Tanzania	Indonesia	Trin&Tob.		
		Malaysia			
		Thailand			
		Vietnam			
Total #	6	7	8	3	1

UNDP's support in China



Formulate provincial strategies

- UNDP supported formulation of 32 provincial climate change programmes to implement national strategy
- Identified priority mitigation and adaptation priority measures and associated costs

Green Markets Formation

- UNDP supported development of 2 energy efficient roadmaps
- Assisted efforts to gradually develop a carbon market including a national emissions trading scheme

Develop Implementation Capacities

- UNDP contributed to the design of China's first climate change think-tank – National Centre for Climate Change Strategy and International Cooperation

Monitor, Report & Verify

- UNDP supported development of national GHG inventory in framework of National Communications
- Critical for emission trading systems and formulation of transparent sectoral NAMAs

Renewable energy incentives and policies

UNDP/GEF support for:

- ✓ RE legislation enacted
- ✓ Grid Code and SSDG FiT scheme for systems < 50kW
- ✓ Standardized PPAs
- ✓ Public awareness
- ✓ New UNDP/GEF project focused on utility-size PV

Complemented by...

- ✓ Support for DNA and grid emissions factor tool developed: UNDP CD4CDM project
- ✓ CDM project services for 25 MW wind farm
- ✓ 8 eco-village pilots (see map)

Case study: support for energy in Mauritius

Energy efficiency standards & policies

UNDP/GEF support for:

- ✓ Energy Efficiency Bill is now drafted & before parliament
- ✓ Establishment of EE Management Office
- ✓ Introduction of Energy Audit Management Scheme
- ✓ Building Control Bill & EE codes drafted
- ✓ Mandatory standards and labeling guidelines for appliances drafted
- ✓ Public awareness campaigns launched

With support from MID, the roll-out of CFLs (1 million) and SWHs (29,000) in homes and LED street lights is underway...

The Maurice Ile Durable (MID – Mauritius Sustainable Island) plan aims to make Mauritius less dependent on fossil fuels through increased utilization of renewable energy and promotion of more efficient use of energy, with the aim of increasing the renewable energy share to 35% by 2025



Existing UNDP Tools and Guidance in English – some available in French, Spanish, Russian



<http://www.undp.org/climatestrategies>